

The Honorable Karen A. Overstreet
Chapter 11
Hearing Location: Seattle
Hearing Date: January 14, 2011 (on shortened time)
Hearing Time: 11:00 a.m.

**UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE**

In re FREDERICK D. BERG, Debtor	Lead Case No. 10-18668-KAO (Administratively Consolidated with Case Nos. 10-23787-KAO and 10-23755-KAO)
In re OREGON COACHWAYS, INC. Debtor	DECLARATION OF DIANA K. CAREY REPORTING AUCTION RESULTS OF OCW
In re MERIDIAN TRANSPORTATION RESOURCES (CANADA), Ltd., Debtor	

Diana K. Carey makes the following declaration under penalty of perjury under the laws of the State of Washington and the United States of America:

1. I am the duly appointed Chapter 11 Trustee for each of the above-captioned debtors: Oregon Coachways, Inc. (“*OCW*”) and Meridian Transportation Resources (Canada), Ltd. (“*Canada*”), (OCW and Canada collectively the “*Debtors*”). I am over the age of 18, I am competent to testify herein, and I make this declaration from my personal knowledge and records maintained in the course of the Debtors’ business operations.

1 2. This Court previously approved the auction of substantially all of the assets of
2 OCW and the "Sightline Tours" business of Canada ("**Acquired Assets**"), which was scheduled
3 to be held at 1:30 p.m. on January 12, 2011 (including adjournments, the "**Auction**"). As
4 evidenced by declarations on file, the Debtors' counsel duly mailed notices of the Auction and
5 related Bid Procedures to parties identified to have an interest in participating.
6

7 3. After receipt of timely bid fees from five parties, three of those parties decided
8 not to participate in the Auction. GTO, LLC ("**GTO**") and CUSA, LLC ("**CUSA**") were the only
9 entities to submit Qualifying Bids (as such term is defined in the Bid Procedures previously
10 approved by the Court) for substantially all of the assets of OCW and the "Sightline Tours"
11 business of Canada.
12

13 4. In addition to me, others attending the Auction on January 12, 2011, were GTO
14 and CUSA representatives and their counsel and advisers, my counsel and financial advisor, as
15 well as the chair of the Official Investor Committee in the Meridian Fund Cases ("**OIC**"),
16 counsel for the OIC, Mark Calvert (the "**Funds Trustee**") and his advisor, Tod McDonald, and
17 counsel for the Funds Trustee. After examining the bids submitted by GTO and CUSA, I
18 determined, after reviewing the bid provisions as well as listening to input from the OIC and the
19 representative of the Funds Trustee, that neither entity had submitted a "firm offer" due to the
20 "due diligence outs" in the purchase agreements.
21

22 5. I gave each party the opportunity to waive the diligence outs at that time, which
23 one party was willing to do but the other party was not; the party willing to waive the diligence
24 outs agreed, however, to grant an additional 24 hours extension for the Auction to enable the
25 other party to perform additional due diligence. Both parties agreed to this revised time table.
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1 We therefore provided additional diligence materials to the parties and agreed to reconvene at
2 1:30 p.m. local time for Seattle, Washington on January 13, 2011.

3
4 6. At such time the Auction was reconvened and after receiving numerous bids from
5 both GTO and CUSA, I determined, with the concurrence of the OIC and Funds Trustee, that
6 GTO submitted the highest and best bid under the circumstances, and as such I declared it to be
7 the "Successful Bid" and GTO to be the Successful Bidder.

8
9 7. The Successful Bid was \$3,075,000, comprised of \$2,850,000 in cash at Closing
10 and a promissory note made by GTO in the amount of \$225,000 payable in three equal
11 installments of principal and interest on the second, third, and fourth anniversaries of the Closing
12 Date (the "*Note*"). Interest on the Note is to be equal to the rate at which GTO is able to borrow
13 funds from an institutional lender in order to close (which is expected to be between four and six
14 percent (4-6%)).

15
16 8. To the best of my knowledge, GTO is not related to the Debtors, and the Debtors
17 will retain no interest in the Acquired Assets after Closing. GTO is also the Successful Bidder of
18 the MTR Western assets, which sale includes a similar note as a portion of the purchase price. I
19 recommend, therefore, that the Court enter an order approving the sale of the Acquired Assets to
20 GTO.

21
22 DATED this 13th day of January, 2011 at Seattle, Washington.

23
24 
25 Diana K. Carey